

Leon E. Comeaux & Associates

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June 21, 2001

Honorable Philip N. Asprodites
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Marg Howei Sand, Reservoir D
SOUTHWEST LAKE ARTHUR FIELD
Cameron Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of PetroGulf Corporation to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marg Howei Sand, Reservoir D, in the Southwest Lake Arthur Field, Cameron Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Marg Howei Sand, Reservoir D, in the Southwest Lake Arthur Field, Cameron Parish, Louisiana.
2. To create a single drilling and production unit for this sand and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator for the unit so created.
4. To provide that any well drilled outside of the Marg Howei Sand, Reservoir D, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Marg Howei Sand in the Southwest Lake Arthur Field, Cameron Parish, Louisiana, was fully defined in Office of Conservation No. 649-C-10, effective July 20, 1993.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Southwest Lake Arthur Field, Cameron Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Southwest Lake Arthur Field, Cameron Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, 1500 Gray Street, Houston, Texas 77002 (Phone - 713-659-8364).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on June 21, 2001, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Bill McAlister, representing PetroGulf Corporation, concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

There was a short question and answer period after which the meeting was adjourned. No opposition was expressed at this conference.

There are attached hereto and made a part hereof a plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and proposed unit plat (being the same plat attached to the June 1, 2001 preapplication notice) are being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, PetroGulf Corporation, in the sum of \$700.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister, Jr.

BMJr/cu

Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners
and Represented Parties

